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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

ILLINOIS-AMERICAN WATER COMPANY ) DOCKET NO.  
 ) 11-0767  
 )  
Proposed general increase in water )  
and sewer rates. )  
(Tariffs filed October 27, 2011) )

Springfield, Illinois  
January 11, 2012

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. ALBERT D. STURTEVANT  
MR. MARK A. WHITT  
CARPENTER LIPPS & LELAND LLP  
180 North LaSalle Street, Suite 2640  
Chicago, Illinois 60601  
Ph. (312) 777-4820

(Appearing on behalf of  
Illinois-American Water Company)

SULLIVAN REPORTING COMPANY, by  
Carla J. Boehl, Reporter  
CSR #084-002710



1       APPEARANCES:   (Continued)

2           MS. SUSAN L. SATTER  
3           MS. CATHY C. YU  
4           Illinois Attorney General's Office  
5           11th Floor  
6           100 West Randolph  
7           Chicago, Illinois 60601  
8           Ph. (312) 814-1104

9                               (Appearing via teleconference on  
10                              behalf of the People of the  
11                              State of Illinois)

12          MR. RYAN ROBERTSON  
13          LUEDERS ROBERTSON & KONZEN  
14          P.O. Box 735  
15          1939 Delmar Avenue  
16          Granite City, Illinois 62040  
17          Ph. (618) 876-8500

18                              (Appearing via teleconference  
19                              on behalf of the Illinois  
20                              Industrial Water Consumers)

21          MR. RICHARD C. BALOUGH  
22          MS. CHERYL DANCEY BALOUGH  
23          BALOUGH LAW OFFICES, LLC  
24          1 North LaSalle Street, Suite 1910  
25          Chicago, Illinois 60602  
26          Ph. (312) 499-0000

27                              (Appearing via teleconference on  
28                              behalf of the Cities of  
29                              Champaign & Urbana, and the  
30                              Villages of Savoy, St. Joseph,  
31                              Sidney & Philo)

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1		<u>I N D E X</u>			
2					
3	<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
4	(None)				
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13		<u>EXHIBITS</u>			
14					
15				<u>MARKED</u>	<u>ADMITTED</u>
16	(None)				
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PROCEEDINGS

JUDGE JONES: Good morning. I call for hearing  
Docket Number 11-0767. This is titled in part  
Illinois-American Water Company, proposed general  
increase in water and sewer rates.

MR. WHITT: Hello, it is Mark Whitt joining.

JUDGE JONES: At this time we will take the  
appearances orally for the record. We will start  
with that in just a moment with Illinois-American  
Water Company.

If anybody is having any problems  
hearing anybody else on the phone, just interrupt us.  
Let us know and we will figure out what needs to be  
done to correct that situation.

First off, we will take the appearance  
or appearances on behalf of Illinois-American Water  
Company.

MR. STURTEVANT: Appearing on behalf of  
Illinois-American Water Company, Albert Sturtevant  
and Mark Whitt, Carpenter, Lipps and Leland, 180  
South LaSalle Street, Suite 2640, Chicago, Illinois  
60601. My phone number is (312) 777-4820.

1           MR. REICHART:   Also appearing on behalf of  
2   Illinois-American Water Company, John Reichart and  
3   Ken Jones.   My address is 727 Craig Road, St. Louis,  
4   Missouri 63141, and my phone number is area code  
5   (314) 996-2287.

6           JUDGE JONES:   Thank you.

7                       Are there any other appearances on  
8   behalf of Illinois-American Water Company?

9           MR. REICHART:   There are not, Your Honor.

10          JUDGE JONES:   All right.   Let's take the  
11   appearance or appearances on behalf of the Illinois  
12   Commerce Commission Staff.

13          MR. OLIVERO:   Thank you, Your Honor.

14                       Appearing on behalf of the Staff  
15   witnesses of Illinois Commerce Commission, Jim  
16   Olivero.   My address is 527 East Capitol Avenue,  
17   Springfield, Illinois 62701.

18                       And I am not sure if the Chicago Staff  
19   is on yet, but appearing on behalf of the Chicago  
20   Staff is Nicole Luckey and Mike Lannon, and their  
21   address is 160 North LaSalle Street, Suite C-800,  
22   Chicago, Illinois 60601.

1 JUDGE JONES: All right. Thank you.

2 All right. We will move along to  
3 other parties. People of the State of Illinois?

4 MS. YU: Appearing on behalf of the People of  
5 the State of Illinois, Cathy Yu and Susan L. Satter,  
6 100 West Randolph Street, Chicago, Illinois 60601.

7 JUDGE JONES: All right. Could you give us a  
8 business phone number, please?

9 MS. YU: (312) 814-1104.

10 JUDGE JONES: Thank you. One moment.

11 (Pause.)

12 Are there appearances to be entered on  
13 behalf of those represented by the law firm of  
14 Lueders, Robertson and Konzen?

15 MR. R. ROBERTSON: Yes, Your Honor.

16 On behalf of the Illinois Industrial  
17 Water Consumers, Ryan Robertson, Lueders, Robertson  
18 and Konzen, 1939 Delmar, Granite City, Illinois  
19 62040.

20 JUDGE JONES: And what is your business phone  
21 number, sir?

22 MR. R. ROBERTSON: (618) 876-8500.

1           JUDGE JONES: All right. Thank you.

2                   Are there other appearance to be

3 entered on the record this morning?

4           MR. BALOUGH: Yes, Your Honor. On behalf of

5 the Cities of Champaign and Urbana and the Villages

6 of Savoy, St. Joseph, Sidney and Philo, it is Richard

7 C. Balough, Cheryl Dancey Balough, Balough Law

8 Offices, LLC, 1 North LaSalle Street, Suite 1910,

9 Chicago, Illinois 60602. The phone number is

10 (312) 499-0000.

11          JUDGE JONES: All right. Thank you, Mr.

12 Balough.

13                   Are there other appearances to be

14 entered this morning?

15                               (No response.)

16                   Let the record show there are not, at

17 least at this time.

18                   As the parties are aware, this is a

19 prehearing conference. We will begin by seeing if

20 there are any scheduling proposals to be advanced at

21 this time which the proponent of the schedule

22 believes to be an agreed schedule among parties or at



1     least some of the parties.

2             MR. STURTEVANT:   Your Honor, we do have a  
3     proposed schedule.   I don't know if you prefer to go  
4     off the record and if you want to have us read it out  
5     so you can review it or how you would like to  
6     proceed, or we can propose it on the record if you  
7     would prefer.

8             JUDGE JONES:   Why don't you go ahead and read  
9     it into the record, and we will kind of go from  
10    there.

11            MR. STURTEVANT:   Okay.   And, Your Honor, it is  
12    my understanding that this represents a schedule  
13    that's been agreed to at least by the Attorney  
14    General, Staff and the Company.

15                         It calls for Staff and Intervenor  
16    direct on March 1, the Company update filing March 9.  
17    Company rebuttal filing March 29, Staff and  
18    Intervenor rebuttal filing April 26, Company  
19    surrebuttal filing on May 8, a status hearing between  
20    the surrebuttal and the hearing date which I think  
21    would be May 10 or 11, hearings from May 15 to May  
22    17, initial briefs June 14, reply briefs June 28, a

1 Proposed Order approximately July 26 with BOE, Brief  
2 on Exceptions, excuse me, would then be August 9 and  
3 then Reply Brief on Exceptions August 16. And my  
4 understanding would be the suspension period or drop  
5 dead date would then be September 24.

6 JUDGE JONES: Thank you. Does anybody need any  
7 of those dates repeated?

8 (No response.)

9 Let the show no response, at least at  
10 this point.

11 If there is some desire on the part of  
12 one or more parties to discuss this proposed schedule  
13 off the record, that opportunity will certainly be  
14 made available to you, but we will just make a note  
15 of that. At this point I will simply ask whether  
16 there are any points of clarification with regard to  
17 that schedule from any of the other parties in the  
18 proceeding.

19 (No response.)

20 All right. Let the record show there  
21 are not. So that scheduling proposal has been put  
22 forward. Does any other party have any objection to

1 the use of that schedule in this proceeding?

2 (No response.)

3 All right. Let the record show no  
4 response.

5 All right. It appears then that the  
6 schedule as proposed is one that the parties have  
7 agreed to or at least can live with and do not have  
8 specific objections to. There was a question about a  
9 specific status hearing date, so we can zero in on  
10 what would work best for the parties for that  
11 purpose.

12 I would just note briefly for the  
13 record that there are Commission meetings on May 15  
14 and 16. However, I realize that setting the schedule  
15 something has to give. So if that is the week that  
16 works best for the parties for purposes of holding  
17 evidentiary hearings, then that's what we will do. I  
18 would just note there is some possibility of  
19 interruption on the date of the 16th, given the  
20 Commission meeting. But, if so, we will do our best  
21 to minimize that.

22 For purposes of giving parties an

1 opportunity to zero in on a status hearing date, we  
2 hereby go off the record.

3 (Whereupon there was then had an  
4 off-the-record discussion.)

5 JUDGE JONES: Back on the record. There was an  
6 off-the-record discussion for the purposes indicated.  
7 I believe, after looking at the calendars and as well  
8 as the steps in the schedule that proceed and follow  
9 the status hearing date, the parties are okay with  
10 setting that on May 10 at 2 o'clock by phone.

11 Let me make sure. Are there any  
12 objections to or clarifications to setting the status  
13 for May 10 at 2:00 p.m. with phone participation  
14 allowed?

15 (No response.)

16 All right. Let the record show there  
17 are not, so that will be the status hearing date to  
18 be included in -- the date certain to be included in  
19 the schedule. I guess that date could also be used  
20 to pin down a start time for hearings the following  
21 week, if that is not already worked out by then.

22 All right. A couple quick comments

1     regarding the schedule. I think there is a suggested  
2     PO date in there. I would just note that to the  
3     extent that if that date changes, that is, if that  
4     were to happen, the turnaround times for BOEs and  
5     RBOEs would not be reduced. The dates that are built  
6     into the current proposal for those steps would  
7     remain intact, that is, the 14 and the 7 would not be  
8     reduced.

9                     Anything else regarding the schedule?

10            MR. STURTEVANT: I do, Your Honor, I just have  
11     one additional point of clarification with respect to  
12     Proposed Orders offered by the parties, whether it  
13     would be appropriate to schedule that in conjunction  
14     with reply briefs, to the extent that a party wishes  
15     to submit a Proposed Order or statement of position.

16            JUDGE JONES: Does anybody have any comment on  
17     that?

18            MS. SATTER: The People of the State of  
19     Illinois have a problem with Proposed Orders when it  
20     is not an agreed Proposed Order. It doesn't -- you  
21     know, we don't like those to be required.

22            MR. STURTEVANT: I am not suggesting that they

1 be required, just that the parties be given an  
2 opportunity, if they so desire, to present one.

3 MS. SATTER: Those can prejudice those parties  
4 that don't have the resources to read them.

5 JUDGE JONES: Would that be something that  
6 could be revisited at the status to -- or I assume it  
7 wasn't -- was this circulated as part of what was  
8 intended to be proposed this morning when it was sent  
9 around to other parties?

10 MR. STURTEVANT: It was not, Your Honor, so we  
11 can revisit that at the status. That's fine, too.

12 JUDGE JONES: So if that's not worked out among  
13 parties in the meantime, then the option would be to  
14 revisit that at the status. Does anybody have any  
15 objection to handling it that way?

16 (No response.)

17 Let the record show no response. So  
18 to the extent that's not worked out prior to that, it  
19 can be revisited at the status hearing.

20 Is there anything else then regarding  
21 the schedule that has been put forward?

22 (No response.)

1                   All right. Let the record show there  
2   is not. At this time let the record show that the  
3   above-referenced scheduling proposal, with the  
4   clarifications that were provided after it was read  
5   into the record, is hereby adopted for purposes of  
6   this proceeding.

7                   I assume that the testimony filings  
8   will be done electronically, at least copies will be  
9   served on others electronically. Is that the intent?

10           MR. STURTEVANT: That's correct, Your Honor.

11           JUDGE JONES: So that's what will be included  
12   with the scheduling adoption.

13                   Okay. Anything else?

14           MR. OLIVERO: Your Honor, we had discussed  
15   briefly before going on the record the turnaround  
16   times for DRs, and I don't believe the Company has  
17   any objection to putting into the record that they  
18   would use -- or all parties, I guess, would be using  
19   best efforts to respond to data requests within 14  
20   days through the filing of the Staff and Intervenor  
21   direct testimony and thereafter seven calendar days  
22   to respond to data requests through the filing of

1 Illinois-American Water surrebuttal testimony.

2 JUDGE JONES: Are you proposing that?

3 MR. OLIVERO: Yes, it is my understanding that  
4 I think the parties would be agreeable to that.

5 Am I wrong, anybody on the line?

6 MS. SATTER: The People of the State of  
7 Illinois have no objection to that.

8 MR. STURTEVANT: That's the Company's  
9 understanding as well, is that the best efforts for  
10 data response is 14 days after issuance before Staff  
11 and Intervenor -- or through Staff and Intervenor  
12 direct and then seven days thereafter.

13 JUDGE JONES: Are there any other responses?

14 (No response.)

15 Let the record show there are not. So  
16 that DR-related proposal made by Staff counsel is  
17 part of the schedule in this docket.

18 Okay. Anything further?

19 (No response.)

20 There is not. At this time let the  
21 record show that the above-referenced schedule as  
22 noted is hereby put into effect. The prehearing



1 conference is concluded.

2 Our thanks to counsel for  
3 Illinois-American for circulating the call-in number.

4 In accordance with the above schedule  
5 this matter is hereby continued to a status hearing  
6 date of May 10 at 2:00 p.m.

7 (Whereupon the hearing in this  
8 matter was continued until May  
9 10, 2012, at 2:00 p.m. in  
10 Springfield, Illinois.)

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